

# Journal Inquirer

January 18, 2011

**Federal Communications Commission  
445 12th St. SW  
Washington, DC 20554**

Dear Commissioners:

Please accept this comment on your rule proposals in MB Docket No. 09-182 and MB 07-294 regarding broadcast ownership.

For 12 years Tribune Co. has operated both Connecticut's largest daily newspaper, the Hartford Courant, and two television stations, WTIC-TV61 and WCCT-TV20, in violation of the commission's rule against cross-ownership of TV stations and newspapers in the same market. This combination was undertaken through Tribune's acquisition of Times Mirror Co. in 2000 precisely to violate the rule and combine TV and newspaper properties in the same markets, in the belief that the commission could quickly be persuaded to repeal the rule.

Rather than object to this presumption against its authority, the commission has granted Tribune 12 years of waivers of the cross-ownership rule, allowing it to consolidate its Connecticut properties and vastly reduce its journalistic staff and costs in the state, giving Tribune enormous advantages over competing news organizations, advantages conferred by the FCC.

Among these advantages are Tribune's ability to cross-promote its media properties in Connecticut, to cross-sell advertising, and to offer news sources greater exposure than can be offered by competing media companies that have not been awarded broadcast licenses. These advantages have been great disadvantages to my newspaper and have caused it great financial loss.

This situation that has developed in Connecticut may provide a good example of what will happen nationally if the rule against cross-ownership is repealed -- less competition, less employment, less journalism, and more concentration of power. If you doubt this, please visit Connecticut and investigate the situation.

**[MORE]**

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The proposal on cross-ownership would allow it in the 20 largest markets but ban it in all other markets, on the assumption that the 20 largest markets have plenty of journalistic competition. But this may not be accurate. For example, in one of those markets, New York City, one company owns two of the city's four daily newspapers as well as two TV stations. That is a huge concentration and, perhaps more important, a huge disadvantage to media companies that have not been given broadcast licenses, a disadvantage that may help push companies out of business.

Banning cross-ownership in markets outside the top 20 ranking would be better than no ban at all, but after 12 years of waivers of the cross-ownership rule for one particular company in Connecticut, we ask the commission to prohibit further extension of waivers in this situation.

In any case, broadcast licenses can be awarded in only two ways: to diversify media ownership or to concentrate ownership. Please diversify ownership.

To provide additional background, I'm enclosing a copy of a column published this month in the Journal Inquirer about the failure to enforce the cross-ownership rule in Connecticut. Thanks for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "CP", is written over the printed name.

**CHRIS POWELL**

**Vice President and Managing Editor**

CP:oc  
enclosure

# Will FCC ever enforce its rules in Connecticut?



**Chris Powell**

**B**anking and market regulation aren't the only areas where the federal government, subservient to big corporations, refuses to enforce the law, with horribly destructive consequences for the country. The same failure has become policy at the Federal Communications Commission.

For 12 years the FCC has allowed Tribune Co. to operate both the Hartford Courant and Connecticut television stations WTIC-TV61 and WCCT-TV20 in violation of the commission's long-standing rule against common ownership of TV stations and newspapers in the same market.

Indeed, in 2000 Tribune acquired the Courant's parent company, Times Mirror Co., precisely to combine newspapers and TV stations in the same markets in violation of the rule against cross-ownership. The media conglomerate figured that it could get the rule repealed, much as the big bank Citicorp, merging with Travelers Corp. in 1998, figured that it could arrange repeal of the federal Glass-Steagall Act, which prohibited banks from owning insurance companies.

The big corporations were right.

A year after the merger of Citicorp and Travelers, Congress and President Clinton repealed Glass-Steagall, setting Wall Street's predators loose, a policy change now widely regarded as a catastrophic mistake, even by some people who advocated it.

The FCC gave Tribune a supposedly temporary waiver from the cross-ownership rule in Connecticut while the situation was studied, and in 2003 Tribune and other media conglomerates persuaded the FCC to repeal the rule against cross-ownership and to increase the number of broadcast properties any one company could own, vastly concentrating ownership of the media.

But advocates of diversity in media ownership sued the FCC in federal court, and in 2004 an appeals court found that the commission's procedures had been improper and reinstated the cross-ownership rule, which is where the situation rests today, with the rule back in force but with Tribune allowed to ignore it as it enters its 12th year of waivers.

What are the broadcast ownership rules for everyone else in Connecticut and the country? Would some other company be given an exemption from the rules for 12 years? Will the rules ever be enforced against big corporations as well as small ones? Who knows?

**WHAT IS CERTAIN IS THAT THERE ARE ONLY TWO WAYS** of awarding federal broadcast licenses, claims of monopoly on the public airwaves — to diversify ownership of the media or to concentrate it. Democracy argues for diversification and against concentration.

Advocates of concentrating ownership by repealing the rule against cross-ownership say the economy's weakness requires allowing the efficiencies and reduction of competition that result from cross-ownership. (Among those efficiencies has been the decimation of the Courant's news staff, whose remains have been consolidated with the staffs of Tribune's two Connecticut TV stations.)

But advocates of concentrating ownership fail to acknowledge the issues of fairness and political patronage. That is, not enough broadcast licenses are available for all newspaper companies, so in awarding licenses to create cross-ownership the government essentially is picking winners and losers in the economy. Besides, the conglomerates clamoring for relief from the cross-ownership rule, like Tribune, have not been so stressed financially that they haven't paid obscene salaries and bonuses to top executives. Tribune has managed this even as it remains stuck in reorganizational bankruptcy after a failed leveraged buyout by another financial predator.

**A RECENT NEWS REPORT SUGGESTED THAT THE FCC** soon may attempt a compromise on cross-ownership, allowing it in the top 20 markets, where there is a presumption of greater competition, but forbidding it in smaller markets, like the Hartford-New Haven market, to which Tribune's Connecticut properties belong. Of course Tribune and the other media conglomerates aren't likely to sit quietly for anything less than free rein for media concentration. But as Tribune keeps trying to put itself above the rules, the issue in Connecticut now is bigger than that. It is simply democratic sovereignty over public institutions.

Cowed by Tribune's size and influence, Connecticut's elected officials, including those who pose as consumer advocates, long have been silent on the cross-ownership issue simmering under their noses. These officials are all for diversity in everything except in what really matters, the power to use government grants of monopoly to influence the public and control community dialogue.

*Chris Powell is managing editor of the Journal Inquirer. His views are not necessarily the newspaper's.*